



2023 Maryland Qualified Allocation Plan (QAP) & Multifamily Rental Financing Program Guide (Guide)

**Pre-Round Information Session for the
2023 Fall/Winter Competitive Funding Round
Deadline: Friday, December 15, 2023**

Purpose of Today's Meeting

- Provide information about:
 - Resources available for the Round
 - Application and Administrative Processes
 - Threshold and Scoring Items
- Provide opportunity for questions and answers

Pre-Application Meetings

- Pre-Application meetings are *optional*, except for Infill and Redevelopment Pool Applicants
- Opportunity to receive feedback on proposed project specifics, including new Lovable Places designs
- To submit a meeting request, use the Pre-Application Meeting Request Form at:
<https://dhcd.maryland.gov/HousingDevelopment/Pages/MFLibrary.aspx>
- Meetings will generally be scheduled for 30 minutes

Application Submission

- **Applications are due by 2 pm on Friday, December 15, 2023**
- **MUST** use New Application Submission Kit dated September 2023 and CDA Form 202 dated October 2023
<http://dhcd.maryland.gov/HousingDevelopment/Pages/MFLibrary.aspx#appdocs>
- Submit one (1) hard copy and one (1) electronic copy of the complete application, including attachments and exhibits
- Submit Application into Multifamily Information System. Email dhcd.rentalhousing@Maryland.gov for login credentials
- Application fee of \$2,500 for each project must be submitted (under separate cover) at the same time as or before application submission to **Post Office Box 2521, Landover Hills, MD 20784**

Incomplete applications will not be considered.

Application Submission

- Submit a full electronic application through DropBox
- Complete the Electronic Application Request form at <https://dhcd.maryland.gov/HousingDevelopment/Pages/MFLibrary.aspx> to request a DropBox folder for each project
- The DropBox folders are organized into subfolders to match the Application Submission Package
- All documents must be uploaded prior to the application deadline
- 202s must be uploaded as excel files
- Access to the project folders will be revoked on Friday, December 15, 2023 at 2 PM

Application & Administrative Information

Waivers:

- In accordance with Section 5 of the Guide, waiver requests must be submitted *in writing* to the Director of Multifamily Housing via the Waiver Request form at <https://dhcd.maryland.gov/HousingDevelopment/Pages/MFLibrary.aspx>
- Submit no later than **30 days** in advance of Round deadline (i.e., by **Wednesday, November 15, 2023**)
- Applies only to Rental Housing Financing Program and State-imposed criteria for LIHTC and MBP
- Federal regulations affecting LIHTC, HOME, and MBP may not be waived

Waiver Request Form

Application Type *

- 9% Competitive Round
- 4%/MBP
- Shelter/Transitional
- Other

Project Name *

Developer/Applicant *

Contact Name *

First Last

Contact Email *

Contact Phone *

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####

Waiver Request # 1 *

Rationale *

2023 QAP And Guide – Overview

The QAP and Guide are used to review:

- Competitive Round Applications for 9% LIHTCs & RHPs
- Bond Applications and 4% LIHTCs (non-competitive)

Basic Review Process:

- Threshold Review
- Scoring

Overview of Changes from Last Year

Threshold Changes

- Infill & Redevelopment Pool
- Tenant Services
- Other Financing Commitments
- LIHTC Award Limits
- Operating Expenses
- Developer Fee
- Phased and Twinning Projects
- Development Quality Thresholds

Scoring Changes

- COO Designations
- TOD
- Mixed Income Housing
- Lovable Places

F.2 Infill and Redevelopment Pool

Established requirements and minimum scores/exceptions

- Applicants applying for the Infill and Redevelopment Pool, established in Section F.2 of the QAP, must meet all Threshold Criteria in Chapter 3. Such projects are not required to compete with the general pool and must achieve a minimum total score of one hundred fifty (150) points, including at least ten (10) points within the Developer Financial Capacity category outlines in Section 4.1.3

3.4 Tenant Services

All projects, including those with CORES or comparable DHCD-approved certifications, must **create a tenant services plan** prior to initial closing that identifies the appropriate services, as listed in Section 3.4 of the Guide. **The tenant services plan must be reviewed after the initial lease up and updated every three (3) years** throughout the compliance period or loan term to remain relevant to the tenant population of the project.

3.6 Other Financing Commitments

Each applicant must **certify** in the Commitment or Viability/Commitment Submission Package that the following **provisions** will be included in the **project owner's limited partnership or limited liability** company agreement executed at closing:

- Prohibit the project owner's investor limited partner or non-managing member from removing the general partner or managing member from the limited partnership or limited liability company unless there is good cause;
- Prevent the project owner's investor limited partner or non-managing member from seeking early termination of extended affordability requirements in accordance with Section 3.2.3; and
- The project owner's limited partnership or limited liability company agreement will not use project reserves as a source for payment upon exit.

3.8 LIHTC Award Limits

Changed maximum amount from \$25,000 to \$30,000 per unit

- The maximum amount of a competitive LIHTC reservation or allocation competing in the general pool will be limited to no more than \$30,000 per income restricted unit up to \$1.5 million to any single project. Reservations and/or allocations may be split over two (2) or more calendar years.

3.9.3 Operating Expenses

Changed limit from \$7,000 to \$8,000

- Annual operating expenses, including all real estate taxes but excluding RFR, should be no less than \$4,000 per unit per year and no more than **\$8,000** per unit per year.

3.9.8.3 Professional Fees

Developer's Fee:

- For twinning projects, total combined Developer's Fee will be the lower of the calculation below or \$5 million
- Added option to repay sponsor note

3.9.9 Phased and "Twinning" Projects

Added “ Twinning” definition and guidelines

- “Twinning” projects are defined as one (1) 9% LIHTC project and one (1) MBP/4% LIHTC project on the same common plan of development or larger development located on the same, contiguous, or proximate sites.

3.13.1 Criteria Applicable to All Projects

Added EV Charging Section and Language on Accessibility

- **Accessibility:** Provide a certification that the project, if funded, will employ a building accessibility consultant to work with the Development Team to ensure accessibility compliance
- **Electric Vehicle Charging:** All projects must provide and install at least one (1) dual level two (2) or higher electric vehicle (EV) charging station. Parking spaces with access to EV charging stations shall be labeled for their intended use for electric vehicle charging. In addition, the EV charging stations shall be on the accessible path and provide convenient access to residents. Where individual driveways are provided, the charging station shall be centrally located.

3.13.2 Additional Criteria Applicable Only to New Construction, Gut Rehabilitation, and Adaptive Re-use

Visitability and Universal Design

- Language specifying Visitability Standards and Universal Design Features criteria
 - Include criteria that align with other states' QAPs and have low cost burdens
- 25% of units must meet Visitability Standards & Universal Design Features
- Option for gut rehabilitation and adaptive re-use projects to request waivers for zero-step entry requirements

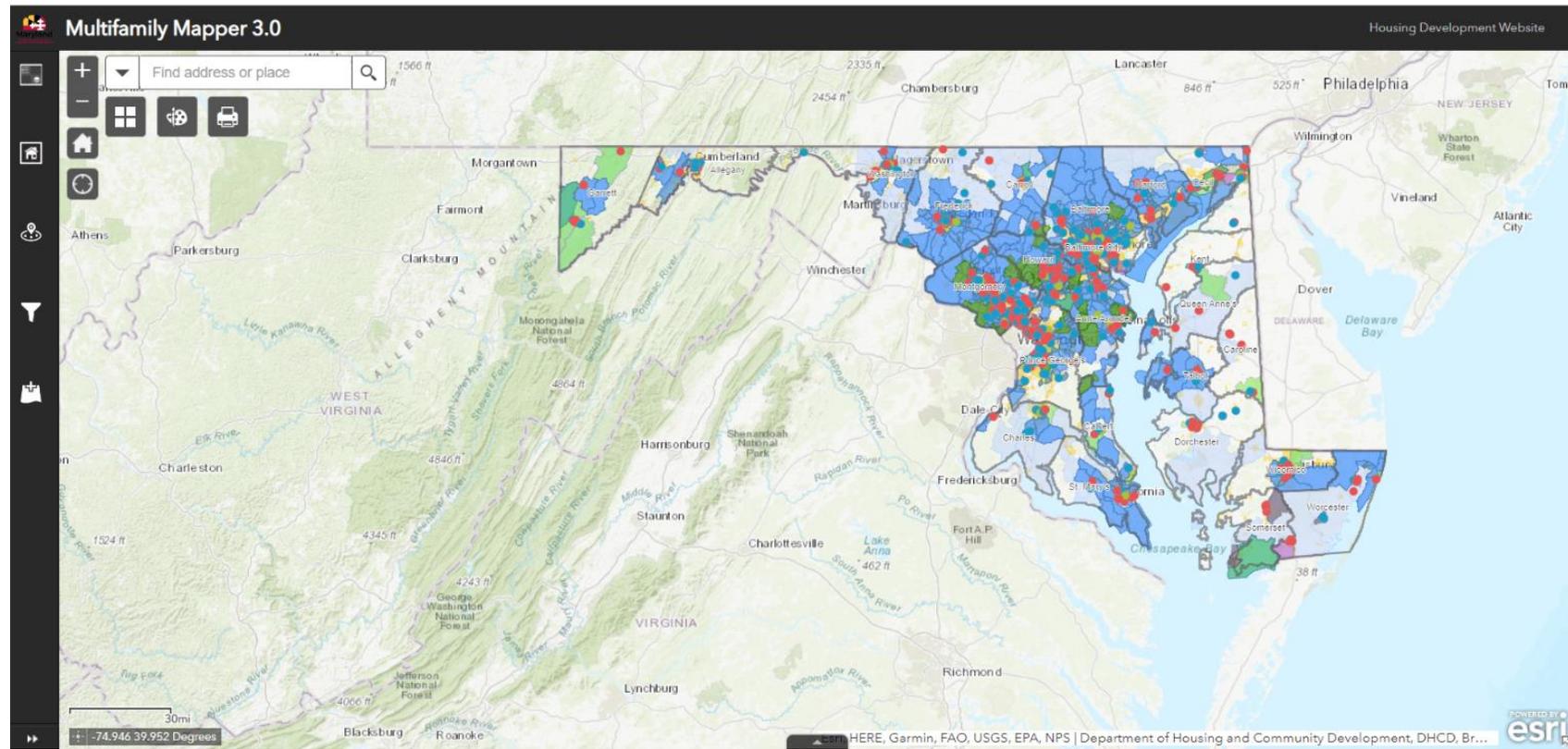
3.13.2 Additional Criteria Applicable Only to New Construction, Gut Rehabilitation, and Adaptive Re-use

Building Energy Performance Standards (BEPS): Electrification of Building Requirements

- The project must utilize high-performance all-electric heating/cooling and domestic hot water equipment and other in-unit or shared appliances such as dryers, cooktops, ovens, or ranges.
- Projects may be granted a waiver from the requirement to have all-electric heating/cooling and domestic hot water equipment if they provide evidence of the following:
 - An electric load letter from grid demonstrating there is not sufficient electrical service to construct a new all-electric building; or
 - Use of on-site emergency back-up power generation with fossil fuel is acceptable; high-efficiency fossil fuel generators are permitted. Projects must provide a letter stating that onsite generators will only be used in no load tests/exercise and for emergency purposes when the electric grid power fails.

4.2.2 Communities of Opportunity (16 maximum points)

Updated map of the 2023 COO designations



4.3 Transit Oriented Development (TOD) (8 maximum points)

- Points are split between two categories
 - Category 1 - Based on distance and type of transit
 - Points can only be earned under one bullet point in this category
 - Category 2 - WALK Score
 - Points earned in this category can be combined with points under Category 1

4.4.5 Mixed Income Housing (2 maximum points)

- Up to 2 points based on the number of Market Rate units as a percentage of the number of affordable units
- The term Market Rate unit refers to unrestricted units
- The points will be calculated based on the following formula:

# of Market Rate Units				
# of Affordable Units	x	2 Points	=	Points Awarded

4.6.4 Lovable Places (2 maximum points)

- Community-centric features and amenities
- Designs that promote and support walkability
- Must include at least three of the following:
 1. A spacious, welcoming lobby
 2. A fitness center
 3. An outdoor social area such as a rooftop terrace, courtyard, gazebo, picnic area, pergola, veranda, or comparable space
 4. A community garden
 5. A designated telework space

Resources Available Per Project

ROUND DEADLINE: December 15, 2023

Infill and Redevelopment Pool:

LIHTC - \$300,000

RHFP - \$50,000 per unit up to \$1M

General Pool:

LIHTC - \$30,000 per unit up to \$1.5M

RHFP - \$2.5M

Rural:

LIHTC - \$30,000 per unit up to \$1.5M

RHFP - \$2.5M + up to \$500,000 HOME Funds*

Rural - Any area in Allegany, Caroline, Dorchester, Garrett, Kent, Somerset, Washington, Wicomico, or Worcester Counties that are not otherwise Community Development Block Grant (CDBG) entitlement communities or HOME Participating Jurisdictions

***Rural units must meet HOME requirements to be eligible for the additional funds**



DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT

Jacob R. Day, Secretary
Owen McEvoy, Deputy Secretary

QUESTIONS?

dhcd.qap@maryland.gov

FAQs are posted under the QAP and Guide section of the Multifamily Library and will continue to be updated as more questions are submitted.

<https://dhcd.maryland.gov/HousingDevelopment/Pages/MFLibrary.aspx>